

# **Exhibit D**

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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA - WESTERN DIVISION

SWEET PEOPLE APPAREL, INC.	)	
d/b/a MISS ME, a California	)	
corporation, et al.,	)	
	)	
Plaintiffs,	)	
	)	Case No.
vs.	)	2:16-cv-00940-TJH-JC
	)	
PHOENIX FIBERS, INC., an	)	
Arizona corporation, et al.,	)	
	)	
Defendants.	)	

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DEPOSITION OF  
LILLY KIM  
COSTA MESA, CALIFORNIA  
OCTOBER 12, 2016

Reported by:  
LORI S. TURNER  
CSR 9102  
No. 16-45825

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18 Also Present: CHRISTIAN RESENDIZ, Videographer  
19  
20  
21  
22  
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09:35 1 Q. And was that contract entered into between  
2 Phoenix Fibers and Sweet People?

3 A. Yes.

09:35 4 Q. Was there also a contract between Phoenix  
5 Fibers and Rock Revival?

6 A. Yes.

7 Q. Who entered into that contract, or those  
8 contracts, on behalf of Sweet People and Rock Revival?

9 A. Was Lisa Song, under my direction.

09:36 10 MR. PARKER: This will be 26.

11 (Exhibit 26 was marked for identification by  
12 the reporter.)

13 Q. Can you take a look at Exhibit 26 and tell me  
14 whether you recognize it or not.

09:36 15 A. Yes.

16 Q. What is Exhibit 26?

17 A. The first amended complaint.

18 Q. Is that the active complaint in this action?

19 A. I believe so.

09:36 20 Q. Did you review the first amended complaint that  
21 is Exhibit 26 before your attorneys signed and filed it?

22 A. I think so.

23 Q. Can you take a look at Paragraph 56 of the  
24 first amended complaint on page 14.

09:37 25 A. Yes.

09:40 1 again, we don't know when the shipping window will open,  
2 and we don't know what the pricing will be at any given  
3 time.

09:41 4 Q. Do you have any personal knowledge of the terms  
5 of the offer that led to what you've referred to as the  
6 overall contract?

7 A. I've read the e-mails, and I had discussions  
8 with Lisa.

09:41 9 Q. What discussions? And when did you have  
10 discussions with Lisa?

11 A. 2011.

12 Q. Can you please tell me what Lisa -- And when  
13 you say "Lisa," you mean Lisa Song?

14 A. Yes.

09:41 15 Q. Please tell me what Lisa Song told you in those  
16 conversations in 2011?

17 A. We had discussions. We were looking for a  
18 company that recycled denim so that we could recycle our  
19 products, rather than sending them to the landfill. So  
09:42 20 we discussed, you know, that Phoenix Fibers was a  
21 recycling company that was going to do this.

22 We discussed how, you know, pricing would work.

23 And we discussed, you know, basically a little  
24 bit of timing of the first shipment.

09:42 25 Q. And did you discuss anything else with Lisa

09:43 1 Q. To your knowledge, did anyone have any  
2 discussions, verbal discussions, with anyone from  
3 Phoenix Fibers on behalf of Rock Revival or Sweet People  
4 in 2011 other than Ms. Song?

09:44 5 A. I don't recall. It may be possibly the  
6 shipping people.

7 Q. And who are the shipping -- Who were the  
8 shipping people at that time?

9 A. I think, at that time, Steve Kim may have been  
09:44 10 a little bit involved as our COO, but I don't know if he  
11 had any direct correspondence with Phoenix Fibers.

12 And then Samuel Kae, I believe, was the  
13 shipping -- person conducting the shipping on our  
14 behalf.

09:44 15 Q. And is that K-a-e?

16 A. Yes.

17 Q. And is Mr. Kim still with one or both of the  
18 companies?

19 A. No.

09:45 20 Q. And what about Mr. Kae? Is he --

21 A. No.

22 Q. Do you know where Mr. Steve Kim is today?

23 A. Not exactly. I mean, I know he lives in  
24 Fullerton.

09:45 25 Q. Do you know where he went to work after

09:45 1 leaving -- Well, which entity or entities did he work  
2 for?

3 A. He worked for both.

4 Q. And do you know where he went to work after he  
09:45 5 left Sweet People and Rock Revival?

6 A. I don't believe he works.

7 Q. Did he retire?

8 A. I think he was going to do his own business  
9 venture, but I don't know what the status is or  
09:45 10 anything.

11 Q. Did he resign from the Rock Revival and Sweet  
12 People entities, or was he terminated?

13 A. He resigned.

14 Q. What about Mr. Kae? Do you know where he went  
09:45 15 to work after he left the entities?

16 A. No, I don't.

17 Q. Do you have any idea where he's geographically  
18 located today?

19 A. No, I don't.

09:46 20 Q. Do you know whether HR kept a forwarding  
21 address for him when he left?

22 A. Probably.

23 Q. What -- We were talking about Topics 24, 25 and  
24 26 of the deposition notice, Exhibits 24 and 25.

09:46 25 What did you do to prepare for this deposition

09:51 1 Q. Why is it that you believe that those contracts  
2 were breached?

3 A. So we had an overall arrangement, as we  
4 discussed, for them to recycle the products.

09:52 5 When we recover goods, some of the goods went  
6 back to 2012.

7 Q. And what contracts do you believe Phoenix  
8 Fibers breached between Phoenix Fibers and Rock Revival?

9 A. The same.

09:52 10 Q. So same years?

11 A. Yes.

12 Q. To your knowledge and based on your  
13 investigation, has anyone employed by Sweet People  
14 discussed with anyone at Phoenix Fibers the contractual  
09:52 15 term requiring that the donated products that Phoenix  
16 Fibers donated -- excuse me -- that Sweet People donated  
17 be destroyed?

18 A. Sorry. Could you repeat that.

19 Q. Sure.

09:53 20 To your knowledge and based on your  
21 investigation --

22 A. Uh-huh.

23 Q. -- has anyone employed by Sweet People  
24 discussed with anyone at Phoenix Fibers the contractual  
09:53 25 term requiring that the donated products that Sweet



09:53 1 People donated be destroyed?

2 A. I believe we thought they would be destroyed  
3 and recycled.

4 Q. Okay. And I understand what your -- what you  
09:53 5 thought.

6 But the question is, to your knowledge and  
7 based on your investigation, has anyone employed by  
8 Sweet People discussed with anyone at Phoenix Fibers the  
9 contractual term requiring that the donated products  
09:53 10 that Sweet People donated be destroyed?

11 A. I believe there's e-mail correspondence to that  
12 effect.

13 Q. What about verbal discussions? Do you know of  
14 any verbal discussions?

09:53 15 A. I don't know if the word "destroyed" was used  
16 in the verbal discussions.

17 Q. And with that testimony, would the answer to  
18 the previous two questions be the same for Rock Revival?

19 A. That's correct.

09:54 20 Q. To your knowledge and based on your  
21 investigation, did Rock Revival or Sweet People  
22 explicitly place a restriction on the items that they  
23 donated to Phoenix Fibers requiring that those items be  
24 destroyed?

09:54 25 A. Yes. We did require that the items be

09:54 1 destroyed and recycled.

2 I think we believed that during the recycling  
3 process, the items would naturally be destroyed as they  
4 were made into shoddy fiber. So that's why it's a  
09:55 5 little confusing. We just focus on "destroyed."

6 Q. And --

7 THE REPORTER: I'm sorry?

8 THE WITNESS: Oh, sorry.

9 But that's why it's a little bit confusing when  
09:55 10 he focuses on the word "destroyed."

11 MR. PARKER:

12 Q. And I understand that -- I understand your  
13 testimony about what the understanding was on your side.

14 The question is, did anyone at Sweet People or  
09:55 15 Rock Revival place a requirement on the donated items or  
16 express a requirement based on the donated items to  
17 Phoenix Fibers that the donated items be destroyed?

18 A. Yes.

19 Q. And when do you think that was done?

09:55 20 A. 2011.

21 Q. And how do you think that was done?

22 A. Verbally.

23 And I guess in e-mail correspondence.

24 Q. Both?

09:55 25 A. I believe so.

09:55 1 Q. What's the basis for your understanding that it  
2 was done verbally?

3 A. After my discussions with Lisa following her  
4 discussions with Matt Graham.

09:56 5 Q. And those are the discussions that you  
6 testified about earlier?

7 A. Correct.

8 Q. And did you describe those conversations as  
9 best you could earlier this morning?

09:56 10 A. I think generally, yeah.

11 Q. Do you have anything to add to the content of  
12 those communications other than what you testified to  
13 earlier?

14 A. Not that I remember.

09:56 15 Q. Do you have any reason to believe that Steve  
16 Johnson knew about what you've expressed this morning,  
17 that is, your employers' understanding that the donated  
18 materials would be destroyed?

19 A. I don't know.

09:57 20 Q. Why is it that Sweet People and Rock Revival  
21 wanted the donated products destroyed?

22 A. Most of the goods are unfinished goods or  
23 damaged goods, goods that we don't want into the  
24 mainstream market because they're not as a good a  
09:57 25 quality as our first-run goods. So therefore we wanted

09:57 1 to find a way to environmentally, soundly destroy the  
2 items, which is why we came up with the destruction and  
3 recycling. We thought it was a much more environmental  
4 friendly way to dispose of the products.

09:57 5 We were part of a organization called One  
6 Percent for the Planet. I don't know if you know this,  
7 but denim is highly pollutive, so it --

8 Q. I did not know that.

9 A. Well, it's like the washing and the blasting,  
09:57 10 and so it's actually very highly pollutive.

11 So one of the ways we wanted to give back, sort  
12 of make up for the pollution was we joined One Percent  
13 for the Planet, which means 1 percent of our gross  
14 proceeds at the time went to environmental

09:58 15 organizations. So along with that program that we put  
16 in place, our directive was to find a much more  
17 environmentally friendly way to dispose of the products.

18 Q. Prior to shipping materials to Phoenix Fibers,  
19 what -- what were Rock Revival and Sweet People doing to  
09:58 20 get rid of their unwanted products?

21 A. So one of two things could happen when they  
22 could be destroyed, in Asia, at the factories, or if  
23 they were here in the U.S., then we would cut up the  
24 product, and then they would be sent to landfill  
09:59 25 essentially.

09:59 1 Q. And when it was sent a landfill, was there a  
2 cost associated with that beyond the shipping cost to  
3 the landfill?

4 A. I don't think so.

09:59 5 Q. You don't recall whether Sweet People and Rock  
6 Revival had to pay a fee at the landfill for disposal?

7 A. I don't recall.

8 Q. If such a fee were paid, would it be reflected  
9 in the financial books and records of the company?

09:59 10 A. Maybe. It might be kind of blended in there.

11 Q. Do you know what the shipping costs were  
12 approximately for shipping things to a landfill in the  
13 United States or the landfill the entities were using?

14 A. No.

09:59 15 Q. Is it correct that by shipping the unwanted  
16 products to Phoenix Fibers, that Sweet People and Rock  
17 Revival were saving money by avoiding disposal fees?

18 A. I don't know 'cause I don't know what the  
19 original disposal fees were.

10:00 20 Q. Was that anything that you recall anyone  
21 discussing in 2011, 2012?

22 A. No. It really was part of the environmental  
23 friendly directive that the company was heading in.

24 Q. When did you start working for Sweet People and  
10:00 25 Rock Revival?

10:00 1 A. April 2010.

2 Q. And do you work for both entities?

3 A. I do.

4 Q. And were you the first lawyer employed there?

10:00 5 A. Yes.

6 Q. What was your title?

7 A. General counsel.

8 Q. The -- did Phoenix -- Excuse me.

9 Did Sweet People and Rock Revival have any

10:00 10 contracts of any kind in place when you arrived to work

11 there?

12 A. Yes.

13 Q. Did you sign a contract to work there?

14 A. No. It's an at-will employment.

10:01 15 Q. Did you do anything, once you arrived -- Strike

16 that.

17 Did you do anything, once you arrived as a

18 general counsel at Sweet People and Rock Revival, to

19 assess and organize the state of the contracts that they

10:01 20 already had?

21 A. I don't know if I purposely went around and

22 redid contracts. I think it was just as new contracts

23 came up --

24 Q. Do you think revised -- I apologize.

10:01 25 Do you have a contracts database at the

10:01 1 entities?

2 A. I would be the contracts database.

3 Q. And what do you do to keep track of contracts,  
4 then?

10:01 5 A. They're basically all in my hard drive.

6 Q. And how do you organize them on your hard  
7 drive?

8 A. They're separated by company and then just by  
9 topic or name of contract.

10:02 10 Q. Okay. And so I assume that the companies  
11 have -- have vendors that make the product?

12 A. Yes.

13 Q. And so there's a folder with the name or names  
14 of those entities?

10:02 15 A. If they have a contract, then it would be like,  
16 yeah, Sweet People manufacturing agreement with so and  
17 so.

18 Q. Okay. And on your hard drive, is there a  
19 folder for Phoenix Fibers?

10:02 20 A. I don't think so.

21 Q. Why not?

22 A. I didn't have anything to go in there. There  
23 might be an e-mail folder, but not a contracts folder.

24 Q. Do you recall having in your mind the

10:02 25 understanding in 2011 that there was a contract between

10:02 1 Phoenix Fibers on the one hand and Sweet People and Rock  
2 Revival on the other?

3 A. Yes.

4 Q. Why is it that you did not draft a contract for  
10:03 5 mutual signature between the parties to reflect the  
6 terms of the contract that you understood existed?

7 A. We asked Phoenix Fibers if there's any  
8 paperwork or documents that need to be executed. They  
9 said, "No."

10:03 10 Given that the items were made for destruction  
11 and recycling, we didn't really feel a necessity to  
12 write a formal agreement, written agreement.

13 Q. Do you have any understanding one way or the  
14 other as to whether Rock Revival and Sweet People  
10:03 15 required, as a term of the contract that you've  
16 testified existed, a certification requirement that the  
17 products were recycled?

18 A. We didn't need it for any third party. It  
19 wasn't like for litigation or anything.

10:04 20 We didn't request -- or require any  
21 certification of destruction.

22 Q. When your -- Since you've been at the company,  
23 when your Asian vendors destroy unwanted product --

24 A. Uh-huh.

10:04 25 Q. -- how do you ensure that that product has been



10:06 1 A. It's really like low income areas in Chicago  
2 metro or Detroit metro area.

3 Q. What kind of volumes?

4 A. It's not a large volume, but we're having some  
10:06 5 complaints from the competing accounts.

6 Q. Returning to 2011 and 2012, despite the -- I  
7 understand that Mr. Graham said that they didn't need a  
8 contract.

9 Why was it that you believe you did -- Or  
10:07 10 strike that.

11 You've testified a contract existed.  
12 Mr. Graham said that he didn't need anything further in  
13 writing.

14 Why is it, in your opinion, that your clients,  
10:07 15 Phoenix Fibers and Rock Revival, didn't need anything  
16 further in writing?

17 MR. SALZMANN: Objection.

18 THE WITNESS: You mean Sweet People?

19 MR. PARKER:

10:07 20 Q. Sweet People. Strike that. So let me ask the  
21 question again.

22 Understanding that Mr. Graham on his end didn't  
23 need anything further, why is it -- why was it, in your  
24 opinion, that Sweet People and Rock Revival didn't need  
10:07 25 anything further in writing?

10:07 1 A. I think it was a couple of reasons.  
2 One was it was sort of my understanding, having  
3 talked to multiple, you know, recycling companies, that  
4 most did not have a written agreement.

10:08 5 Secondly, because it was just for recycling and  
6 destruction, we really didn't feel like it was necessary  
7 to have a formal written agreement. The terms were  
8 relatively simple, and they really weren't for, you  
9 know, manufacturing or resale or anything like that. So  
10:08 10 it was really just recycling.

11 Q. What other recycling companies were you aware  
12 of at the time that provided -- that you understood  
13 provided these types of services?

14 A. I don't recall. But we had another recycler  
10:08 15 for other, you know, like canned goods and stuff like  
16 that.

17 Q. Another recycler for canned goods, but not for  
18 any of the fashion items that the company --

19 A. Correct.

10:08 20 Q. -- sold.

21 What was your understanding of what that other  
22 recycler would do with those canned goods?

23 A. They would just recycle the products into -- I  
24 don't know, whatever it is that aluminum and bottles and  
10:09 25 such get recycled into.

10:09 1 Q. So you're referring to like empty cans? Empty  
2 bottles?

3 A. Empty cans, bottles, all that kind of thing.  
4 Just waste. Paper goods.

10:09 5 Q. Do you have an understanding of the difference  
6 between the term "recycling" and "destroying"?

7 MR. SALZMANN: Objection. Form.

8 THE WITNESS: I understood -- I still understand, I  
9 guess -- that the process was that in the process of  
10:09 10 recycling, the goods would be destroyed because they  
11 would be pulled apart and made into -- at the time, we  
12 believed it was going to be shoddy fiber.

13 MR. PARKER:

14 Q. And how did you have that understanding?

10:09 15 A. That is what Matt Graham told us.

16 Q. And to be specific, he didn't tell you that;  
17 right?

18 A. Correct.

19 Q. He told Ms. Song that?

10:10 20 A. Correct.

21 Q. And how do you know he told Ms. Song that?

22 A. She told me, and there were e-mails.

23 Q. Any other ways?

24 A. I don't think so.

10:10 25 Q. I want to understand some terms of what you

10:11 1 Strike that.

2 Did you understand that Phoenix Fibers was the  
3 one carrying out this contract?

4 A. I didn't really understand the relationship  
10:11 5 between Phoenix Fibers and Bonded Logic, so I didn't  
6 really understand which was doing which part exactly.

7 I understood them to be affiliated companies  
8 working together.

9 Q. Do you think Rock Revival and Sweet People are  
10:11 10 affiliated?

11 A. Yes.

12 Q. How are they affiliated?

13 A. They have overlapping shareholders and  
14 directors and officers.

10:12 15 Q. Any other ways?

16 A. Primarily that's -- I think that's the primary  
17 way they're affiliated.

18 Q. When Ms. Song was having discussions with  
19 Mr. Graham and then carrying out the shipping of the  
10:12 20 products to Phoenix Fibers, was she an employee of Rock  
21 Revival, Sweet People or both?

22 A. Both.

23 Q. And was she paid by both?

24 A. What happens is her paycheck comes from Sweet  
10:12 25 People Apparel, but her time is allocated between the

10:12 1 two companies. Well, actually, all the affiliates.

2 Q. Is Ms. Song related to anybody that has an  
3 ownership interest in either Sweet People or Rock  
4 Revival?

10:12 5 A. No.

6 Q. Is she related to anybody that works for the  
7 company?

8 A. Not anymore.

9 Q. Was she at one time related to someone --  
10:13 10 Strike that. Better way.

11 Was she -- Is she related to someone who once  
12 worked at the company?

13 A. Yes.

14 Q. And who was that person who once worked at the  
10:13 15 company?

16 A. I think his name is Brian Ahn.

17 Q. And what's her relationship to Mr. Ahn?

18 A. I think they're cousins.

19 Q. Have you been deposed before?

10:13 20 A. Yes.

21 Q. How many times have you been deposed?

22 A. I'm not sure.

23 Q. Are you able to approximate?

24 A. Less than five.

10:13 25 Q. And do you recall what kinds of -- were you a

10:13 1 party -- Have you ever been a party to a litigation?  
2 A. No. I don't think so.  
3 Q. What kind of cases did you testify in?  
4 A. Copyright cases primarily, copyright trademark.  
10:14 5 Q. And were those cases involving Sweet People and  
6 Rock Revival -- and/or Rock Revival?  
7 A. Yes.  
8 Q. When was the last time you were deposed?  
9 A. Maybe 2014.  
10:14 10 Q. And do you recall what law firm represented  
11 Sweet People and Rock Revival in that most recent  
12 litigation in 2014?  
13 A. It probably would have been Arnold & Porter.  
14 Q. So we've taken a look at Exhibits 24 and 25,  
10:14 15 which are the Rule 30(b)(6) notices for Sweet People and  
16 Rock Revival.  
17 Which -- And the corporate name for Rock  
18 Revival is RCRV, comma, Inc.; is that right?  
19 A. Yes.  
10:15 20 Q. So when I say "Rock Revival," you'll know we'll  
21 be talking and have been talking about RCRV, Inc.?  
22 A. Yes.  
23 Q. What did you do to prepare for this 30(b)(6)  
24 deposition?  
10:15 25 A. I reviewed e-mails, correspondence, documents

10:28 1 did not involve a signed agreement between the parties?

2 A. Not a merger.

3 Q. Have you done an acquisition that involved a  
4 contract that was not signed by both parties?

10:28 5 A. I don't know. I don't -- It's possible.

6 Q. And I said "acquisition."

7 Same question for a sale of assets. Have you  
8 advised a client in connection with a sale of assets  
9 that involved no written signed contract between the  
10 buyer and seller?

10:29 10  
11 A. It's possible.

12 Q. You agree with me that would be unusual?

13 A. It would be.

14 Q. At Reed Smith, is it correct you were of  
10:29 15 counsel there from April 2006 to April 2009?

16 A. Yes.

17 Q. And while there, you drafted, negotiated and  
18 advised on merger and acquisition transactions; right?

19 A. Correct.

10:29 20 Q. And you drafted, negotiated and advised on  
21 venture capital transactions; right?

22 A. Correct.

23 Q. Venture capital transactions -- I'll ask it  
24 this way:

10:29 25 Is it correct that venture capital transactions

10:29 1 always involve a written and signed agreement between  
2 the parties to the transaction?

3 A. I believe so.

4 Q. Is it correct, at Reed Smith, that you drafted  
10:29 5 and negotiated commercial agreements, including license  
6 agreements, NDAs and distribution agreements?

7 A. Yes.

8 Q. And is it correct that you worked for  
9 Sonnenschein Nath & Rosenthal from 2005 to 2006?

10:30 10 A. Yes.

11 Q. And at Brobeck Phleger & Harrison from 1997 to  
12 2003?

13 A. Yes.

14 Q. What did you do at Brobeck?

10:30 15 A. I was an associate, so I worked in the  
16 corporate group. So corporate advice, public  
17 securities, mergers and acquisitions, venture capital  
18 work, some technology work.

19 Q. Were you a summer associate at Brobeck as well?

10:30 20 A. I was.

21 Q. What did you do between 2003 and 2005?

22 A. 2003.

23 Q. Between Brobeck and Sonnenschein?

24 A. Oh, I was at Squire Sanders & Dempsey.

10:31 25 Q. Did you graduate from Loyola Law School with a



10:31 1 JD in '98?

2 A. I did.

3 Q. Did you take contracts at Loyola?

4 A. Yes.

10:31 5 Q. Do you have -- Are you aware of a treatise  
6 called "Witkin" on contracts?

7 A. Not really.

8 Q. Do you recall the identity of any contractual  
9 treatises that you heard of while at Loyola or in your  
10:31 10 practice at any time?

11 A. No.

12 Q. You graduated from Penn with a BS in finance  
13 and policy in '93; is that right?

14 A. Correct.

10:31 15 Q. You currently work -- So who do you receive  
16 your W-2 from, Ms. Kim?

17 A. Sweet People Apparel.

18 Q. And is your salary apportioned between Rock  
19 Revival and Sweet People?

10:32 20 A. Correct.

21 Q. There's a company called Deodar Brands, LLC.

22 Are you familiar -- aware of the aegis in that  
23 company?

24 A. Yes.

10:32 25 Q. What is that company?

10:32 1 A. It's one of the affiliates, and it's the brand  
2 MEK Denim.

3 Q. And does it operate out of the Rock Revival  
4 address?

10:32 5 A. It doesn't really operate that much anymore,  
6 but it used to have its own facility, and then, as it  
7 was closing, it came into the Rock facility.

8 Q. Explains why I can't find the jeans.

9 The -- What's Go Apparel, LLC?

10:32 10 A. Go Apparel. Oh. I can't recall offhand. It's  
11 some -- I don't know if it was -- who Rock Revival  
12 purchased the name from, or if it was an affiliated  
13 company.

14 Q. The original -- Well, the trademark  
10:33 15 registration for the Rock Revival text mark reflects the  
16 owner as Go Apparel, LLC.

17 Do you -- Are you aware, sitting here today,  
18 whether that trademark has been assigned to Rock  
19 Revival?

10:33 20 A. Yes. It was purchased from them.

21 Q. And has that assignment been produced?

22 A. I don't know.

23 Q. Have you performed any -- Strike that.

24 Did Ms. Song do any work for Deodar Brands  
10:33 25 doing business as MEK?

10:33 1 A. I don't recall.  
2 She might have -- Yeah. She would have had to  
3 do some. That's correct.  
4 Q. Who do you report to?  
10:33 5 A. Eric Choi.  
6 Q. Do you have any direct reports?  
7 A. People who report to me?  
8 Q. Yes.  
9 A. Yes.  
10:33 10 Q. Who are they?  
11 A. HR, marketing and legal all report to me.  
12 Q. Who at -- Who in HR reports to you?  
13 A. HR manager.  
14 Q. Who is that?  
10:34 15 A. Jamie Chu.  
16 Q. Who in marketing reports to you?  
17 A. Sharon Bong.  
18 Q. Can you spell that last name, please.  
19 A. B-o-n-g.  
10:34 20 Q. And does anybody in legal report to you?  
21 A. Yes.  
22 Q. Who reports to you in legal?  
23 A. Jay Roberts.  
24 Q. Is Mr. Roberts an attorney?  
10:34 25 A. No.

10:44 1 although she functions as my assistant at times as well.

2 Q. Have you discussed any of the facts related to  
3 this case with Ms. Flores?

4 A. I don't think so.

10:45 5 Oh, maybe, yes.

6 Q. What have you discussed with her?

7 A. She made some purchases early on, and then she  
8 helps store things for me.

9 Q. Purchases from where?

10:45 10 A. So when we got some of the complaints regarding  
11 the donated goods that were out in the stream of  
12 commerce, she would sometimes make contact and make the  
13 purchases on my behalf at my direction.

14 Q. And documents related to those purchases have  
10:45 15 been produced in this case?

16 A. Yes.

17 Q. And are the products that were purchased still  
18 in your possession?

19 A. Yes.

10:45 20 Q. Have they been produced for inspection in this  
21 case?

22 A. I don't think anyone has requested an  
23 inspection on those yet.

24 Q. Mr. Choi is the chief executive officer of Rock  
10:46 25 Revival and Sweet People?

10:46 1 A. Yes.

2 Q. Is he also on the board of directors?

3 A. Yes.

4 Q. Is he the chairman of the board of directors?

10:46 5 A. I don't recall.

6 Q. Is he also -- Does he also have an ownership

7 interest in each company?

8 A. Yes.

9 Q. Does he have an ownership interest in Deodar

10:46 10 Brands?

11 A. Yes.

12 Q. Do you know if his interest in any of those

13 three entities is a majority interest?

14 A. I don't believe so.

10:46 15 Q. Have there been any board meetings -- Strike

16 that.

17 Have there been any discussions at any board

18 meetings regarding this case or the facts leading up to

19 this case?

10:46 20 A. Not that I'm aware of.

21 Q. But you've discussed this case with Mr. Choi;

22 correct?

23 A. Correct.

24 Q. Did you supervise the collection of documents

10:47 25 in this case?

11:41 1 Q. What did you discuss with him?

2 A. That's when we discussed wanting to put the  
3 recycling program in place rather than sending the goods  
4 to a landfill or having them destroyed in Asia.

11:41 5 So we had discussed the -- that the recycling  
6 of the goods would be more in line with our  
7 environmental initiatives.

8 Q. Anything else?

9 A. That was probably it.

11:41 10 Q. Did you look at the Bonded Logic website?

11 A. I don't recall.

12 Q. Do you recall whether you looked at the Phoenix  
13 Fiber website in or around November of 2011?

14 A. I did not.

11:42 15 Q. Do you recall if you looked at  
16 cottonfrombluetogreen.org in or around November of 2011?

17 A. I don't recall.

18 Q. Do you recall if you responded to this e-mail  
19 in -- by "e-mail" -- Sorry. Strike that.

11:42 20 Do you recall if you sent an e-mail back to  
21 Mr. Choi in response to his e-mail of November 1st,  
22 2011?

23 A. No, I did not.

24 Q. Did you discuss any of the financial benefits  
11:42 25 of denim recycling with Mr. Choi?

11:42 1 A. No.

2 I mean, actually, it's a loss for us generally ,  
3 speaking 'cause we have to bring the goods that are  
4 unfinished from Asia, ship them here, and then package  
11:42 5 them and send them for recycling, where we pay the  
6 delivery charge.

7 Q. I need to get a better understanding of what  
8 the practice was -- Well, strike that. Let me make sure  
9 I understand from the -- from the time frame from 2012  
11:43 10 to 2015.

11 From -- from -- In 2012, 2013 and 2014, is it  
12 correct to say that all of the unfinished, damaged,  
13 non-first-quality, obsolete, returned denim products of  
14 Miss Me and Rock Revival were going to Phoenix Fibers?

11:43 15 A. I would say that's probably accurate.

16 Q. So there was no incidence of any vendors  
17 destroying such items in Asia?

18 A. No, not during that time period.

19 Q. The -- you testified earlier that Sweet  
11:44 20 People -- I'm not sure we distinguished between the two  
21 companies, but that there was a requirement that the  
22 vendors return the unfinished goods to the United  
23 States.

24 Do you recall that?

11:44 25 A. The vendors return -- Yes.

11:44 1 Q. Isn't that requirement a requirement that  
2 relates to simply ensuring that they're not going to  
3 resell them in Asia?

4 A. No, because part of that, we didn't necessarily  
11:44 5 require them to send the unfinished goods here.

6 Q. So what -- why would you have them send the  
7 unfinished goods back to the United States?

8 A. Because we wanted to recycle them instead of  
9 having them destroyed in a landfill or lit on fire. We  
11:44 10 wanted to be more environmentally sound.

11 Q. And there are no recycling options in Asia?

12 A. It's very difficult, as I understand. We  
13 looked recently.

14 Q. I'm going to ask you about damages later. But  
11:45 15 do you intend to -- Do you intend to seek the amounts of  
16 money spent to ship those products from Asia as a  
17 component of damages?

18 A. I'm not sure we've made a final determination,  
19 but that would be a part of actual damages, yes.

11:45 20 Q. And have you produced any of those documents in  
21 this case?

22 A. I don't know.

23 Q. With respect to these two websites that  
24 Mr. Choi sent you in the e-mail that is part of  
11:45 25 Exhibit 30, did you ask anybody else to look at those



11:50 1 eventuality that occurred after Exhibit 30?

2 A. I believe Lisa did some investigation. Then  
3 she talked with or e-mailed with or both -- with people  
4 at Bonded Logic and Phoenix Fibers.

11:51 5 Q. And what are your sources for -- what's your  
6 basis for knowing that?

7 A. Conversations that I recall with Lisa, and  
8 e-mail correspondence.

9 Q. Anything else?

11:51 10 A. That's all I can remember.

11 Q. Do you recall who Jerry Westin is?

12 A. No.

13 Q. Have you ever spoken to anyone named Jerry  
14 Westin?

11:51 15 A. Not that I recall.

16 Q. With respect to the legal department, have you  
17 ever adopted any written policies requiring that  
18 contracts be in signed writings?

19 A. No.

11:52 20 Q. Why not?

21 A. It's still a relatively small company, so  
22 sometimes we don't formalize everything. It depends on  
23 the contract and the manager, et cetera. Circumstance.

24 Q. Approximately how many employees, both  
11:52 25 full-time and part-time, does Sweet People have right

11:52 1 now?

2 A. Right now?

3 Q. Yeah.

4 A. Probably about a hundred.

11:52 5 Q. And approximately how many does Rock Revival  
6 have?

7 A. Around 50, maybe a little less.

8 Q. And do some of the employees that work for both  
9 entities perform services for the other?

11:53 10 A. Yes.

11 Q. And is there a written contract about cost  
12 sharing related to that?

13 A. No.

14 Q. That apportionment just happens based on no  
11:53 15 written agreement?

16 A. No written agreement.

17 Q. When did you first learn of unfinished,  
18 damaged, obsolete, returned or otherwise second-quality  
19 goods showing up in the marketplace that you thought at  
11:54 20 the time or later learned were associated with Phoenix  
21 Fibers?

22 A. I think it was summer of 2015.

23 Q. And what happened when you first learned that  
24 information?

11:54 25 A. We had received complaints about those kind of

11:54 1 goods being out there, and so we began to -- you know,  
2 they'd appoint us to specific people or websites or  
3 whatever it was, so we started to make some purchases.  
4 Q. And was that prior to receiving -- Well, strike  
11:54 5 that.  
6 Who were those complaints from?  
7 A. It would have been from customers, sales reps.  
8 Q. Sales reps that worked for Miss Me or Rock  
9 Revival, or other sales reps?  
11:55 10 A. Sales reps that work for Miss Me and Rock  
11 Revival.  
12 Q. And were any of those sales rep complaints --  
13 Strike that.  
14 Were any of those sales rep complaints  
11:55 15 contained in e-mails?  
16 A. I don't know.  
17 Q. Do you recall how you learned of the sale -- of  
18 the sales reps concerns?  
19 A. Either the internal salespeople would tell me  
11:55 20 or the sales reps would tell me themselves.  
21 Q. Which sales reps told you themselves?  
22 A. It was out of Chicago or Dallas. I can't  
23 recall which one.  
24 Q. How many sales reps are there for both Rock  
11:55 25 Revival and Miss Me?

11:55 1 A. I don't know how many individual sales reps  
2 there are, but there are offices -- We contract with  
3 independent sales reps.  
4 And Miss Me has one, two -- I think four across  
11:56 5 the country.  
6 And Rock Revival, I think, has five.  
7 (Exhibit 31 was marked for identification by  
8 the reporter.)  
9 MR. PARKER:  
11:56 10 Q. So I've asked the court reporter to place in  
11 front of you what's been marked as Exhibit 31.  
12 Do you recognize Exhibit 31?  
13 A. Yes.  
14 Q. What is it?  
11:57 15 A. It's an e-mail from Felipe to myself.  
16 Q. Why -- Well, do you recall independent about  
17 why Mr. Salgado sent you this e-mail, Exhibit 31?  
18 A. Right. So Lola Willard was selling goods that  
19 were supposed to have been donated on her -- I don't  
11:57 20 know if it was her Facebook or her website or something  
21 like that.  
22 Q. How did you determine that Lola Willard was  
23 selling jeans that you believe were supposed to be  
24 donated?  
11:57 25 A. We looked at it. Then we made a purchase.

11:57 1 Q. Who made the purchase?

2 A. I believe I did. Or someone under my  
3 direction.

4 Q. Have the documents related to that purchase  
11:57 5 been produced?

6 A. I believe so.

7 Q. Was the purchase from Ms. Willard the first  
8 purchase you made that relates to this case?

9 A. No. I believe it was one of the last.

11:58 10 Q. Okay. How many -- Setting aside the purchase  
11 by Investigative Consultants, how many purchases of  
12 goods did Rock Revival or Sweet People make prior to  
13 filing this lawsuit?

14 A. Individual purchases or --

11:58 15 Q. Yeah. Let's talk about individual purchases.

16 A. I want to say maybe half a dozen. I could be  
17 wrong about the number.

18 Q. And then the -- Of that approximate half a  
19 dozen, do you know how many units were involved total?

11:58 20 A. I believe over 9,000.

21 Q. So I saw -- In a report earlier, I saw an  
22 Investigative Consultants report they ended up with  
23 29,000 units.

24 Did I get that right? I don't think I have  
11:59 25 that right.

12:01 1 consumer complaints you received?

2 A. I don't.

3 Q. And were there -- Do you recall whether those  
4 consumer complaints were received in writing, verbally  
12:01 5 or both?

6 A. I know some were in writing.

7 Q. And those have been produced?

8 A. Those have been.

9 Q. Exhibit 31 refers to jeans being "'stamped'  
12:02 10 defective" on page 2 in the third line down.

11 The sentence says, "She says that she gets the  
12 jeans from the factory that are 'stamped' defective due  
13 to missing labels and such items."

14 Does Miss Me -- Do Miss Me or Rock Revival  
12:02 15 stamp jeans with the word "Defective"?

16 A. The factory may.

17 Q. Do you know one way or the other whether they  
18 do?

19 A. I know that -- I don't know if they do it for  
12:02 20 every single one, but I know I've seen jeans stamped  
21 "Defective" on the inside lining.

22 Q. And where did you see those jeans?

23 A. Some of them when we repurchase them from these  
24 different websites and such.

12:02 25 Some of them I've seen probably around.

12:05 1 Q. Do any of the retailers that -- such as Ross  
2 Dress for Less that sometimes sell Miss Me or Rock  
3 Revival obsolete, returned or second-quality goods offer  
4 them for sale online?

12:05 5 A. No.

6 Q. Have either Miss Me or Rock Revival ever  
7 authorized, in your view, any company or individual to  
8 sell obsolete inventory, returned goods or  
9 second-quality goods online?

12:06 10 A. No, not that I'm aware of.

11 Q. Do you know -- Well, strike that.

12 What, if any, retailers other than Ross Dress  
13 for Less buy obsolete inventory, returned goods or  
14 otherwise second-quality goods from Miss Me or Rock  
12:06 15 Revival?

16 A. I believe the only closeouts might be Nordstrom  
17 Rack. Maybe Marshalls and T.J.Maxx.

18 Q. Do you recall -- other than the seller Lola  
19 Willard, they were selling online -- in 2015, they were  
12:07 20 selling the goods that led to the purchases that led to  
21 this case or they were part of leading to this case, do  
22 you recall what websites they were selling on?

23 A. I remember some were on eBay. I think some  
24 were on Facebook.

12:07 25 But that's all I can remember offhand.

12:08 1 Q. Of the approximately half dozen purchases, at  
2 least one of them was a wholesale purchase, wholesale  
3 price type purchase?

4 A. Yes.

12:08 5 Q. How many -- When did that occur?

6 A. I want to say summer.

7 Q. And do you recall approximately how many units?

8 A. That was a large one. That was about 9,000  
9 units, I believe.

12:08 10 Q. So were all the other purchases kind of  
11 onesie-tvosie purchases?

12 A. I think so.

13 Q. The 9,000 units, are they in that same  
14 warehouse?

12:08 15 A. I think they're in a different warehouse.  
16 Generally goods that I purchased were in a different  
17 warehouse.

18 Q. Have you inspected -- Strike that.

19 Have you or anybody else inspected the 9,000  
12:08 20 units, each one of them?

21 A. Not every single one, but I did inspect the --  
22 I inspected some of them.

23 Q. (Indicating.)

24 A. I inspected some of them.

12:09 25 Q. So 9,000 units, how many -- approximately how



12:46 1 A. I'm pretty sure.

2 Q. -- made?

3 A. I'm pretty sure we did.

12:46 4 Q. Did Investigative Consultants' investigation  
5 reveal that anybody associated with Sac International,  
6 Comak even knew who Phoenix Fibers was?

7 A. I don't know.

8 Q. You don't know one way or the other?

9 A. I don't know one way or the other.

12:46 10 Q. But sitting here today, you can't point me to  
11 the result of that investigation that leads you to  
12 believe that Comak Trading or Sac International or  
13 Ms. Cho or this gentleman named Ali even knew who  
14 Phoenix Fibers was?

12:47 15 A. No. I can't point you to anything.

16 Q. Now, prior to these investigative reports, you  
17 had a -- you had at least one conversation with Tod  
18 Kean; is that right?

19 A. I think so.

12:47 20 Q. Who do you understand Mr. Kean to be?

21 A. I understood him to be the owner and -- one of  
22 the owners and CEO.

23 Q. Why did you -- And did you call him, or did he  
24 call you?

12:47 25 A. I called him.

12:47 1 Q. Why did you call him?

2 A. I was looking for someone, and that's who  
3 reception pointed me to.

4 Q. And when did you call him?

12:47 5 A. I actually don't recall the exact date.

6 Q. And when you reached him, what did you say to  
7 him, and what did he say to you?

8 A. I told him who I was. I introduced myself. I  
9 told him that we had found goods we believed were  
10 possibly coming from his location, that had been sent  
11 there for destruction and recycling.

12 Q. And what did he say?

13 A. He said that they would look into it. They  
14 would investigate. It is possible that there was some  
12:48 15 leakage.

16 Q. And do you understand what the word "leakage"  
17 means, or did you understand at the time what "leakage"  
18 meant?

19 A. They actually explained it to me.

12:48 20 So Phoenix Fibers was the one who told me that  
21 what happens is that they have a secure cage to which  
22 the products are put in. But because our product takes  
23 sometimes longer to recycle due to the embellishments on  
24 them, that sometimes goods would be left out of the cage  
12:49 25 while they're being processed, or that sometimes the

12:49 1 cage was full and that goods were sometimes left outside  
2 the secure cage. And it's possible, due to that, that  
3 some might have leaked out.

4 Q. And what did you understand "leaking" to mean,  
12:49 5 or "leak"?

6 A. So they were saying that basically they were  
7 stolen --

8 Q. All right. Then --

9 A. -- and shipped off.

12:49 10 Q. -- has Rock Revival or Miss Me ever experienced  
11 any theft of their inventory?

12 A. I'm sure we have.

13 Q. You just -- Do you call it "leakage," or do you  
14 call it "theft"?

12:49 15 What do you guys call it?

16 A. We just call it "theft" or "SOB," like  
17 employees trying to steal it.

18 Q. Have you ever heard the term "shrinkage"?

19 A. "Shrinkage," yes.

12:49 20 Q. And "shrinkage" refers to people stealing  
21 inventory; right?

22 A. Uh-huh.

23 Q. Did you mention the possibility that there were  
24 being -- that items were being stolen from Phoenix  
12:49 25 Fibers' warehouse, or was it Mr. Kean that raised the

12:49

1 issue?

2 A. Mr. Kean. I just raised that we had found  
3 goods outside.

12:50

4 Q. How many goods at that time that you called him  
5 had you found?

6 A. Not that many.

7 Q. What else did Mr. Kean say beyond what you  
8 already recounted?

9 A. That he referred me to Steve Johnson as well.

12:50

10 Q. Who did you understand Mr. Johnson to be?

11 A. I was told he was a plant manager.

12 Q. Did you call Mr. Johnson?

13 A. Yes.

12:50

14 I'd actually called him earlier in the day to  
15 get a general idea of what happened to the products,  
16 generally,, like what the process was from him.

17 Then I talked to Mr. Kean, and then I went back  
18 to Mr. Johnson.

12:50

19 Q. Okay. So let's talk about the first  
20 conversation you had with Mr. Johnson.

21 You called him for that conversation?

22 A. Yes.

23 Q. And what did he say, and what did you say in  
24 that conversation?

12:50

25 A. I said I was trying to figure out generally

12:50 1 what happened at the -- throughout the process, at the  
2 time, I said I was trying to figure out.

3 And he told me basically, you know, the goods  
4 are received. You know, they're put in a secure  
12:51 5 location.

6 And then, you know, they are taken out, and  
7 then metal and bags, et cetera, are taken off, and then  
8 they're processed for recycling into shoddy fiber.

9 Q. In that first conversation with Mr. Johnson,  
12:51 10 did anybody discuss -- Strike that.

11 In that conversation with Mr. Johnson, did you  
12 tell him why you were calling?

13 A. I don't think so. I think I was just trying to  
14 figure out literally what the process was.

12:51 15 Q. Did you tell him that you were the general  
16 counsel of Miss Me?

17 A. Yes.

18 Q. How long did your first conversation with  
19 Mr. Johnson last?

12:51 20 A. Less than five minutes, maybe.

21 Q. Why is it in the first conversation you had  
22 with him that you did not tell him the reason you were  
23 calling?

24 A. We were still trying to figure things out.

12:52 25 Q. Did either you or Mr. Johnson mention anything

12:53 1 A. No. I mean, I think we got an idea from the  
2 general process that maybe there had been some sort  
3 of -- it -- It could have come from that facility, given  
4 the way that the process was done.

12:53 5 So that's when we called Mr. Kean to see --  
6 Actually, we didn't know who we were calling at that  
7 level, but the receptionist then referred us to  
8 Mr. Kean, and that's when he mentioned the leakage.

9 Q. Were you -- Were you dissatisfied in any way  
12:53 10 with anything you learned or heard in the conversation  
11 you had with Mr. Johnson, the first conversation?

12 A. No.

13 Q. And when you talked to -- So you talked to  
14 Mr. Kean.

12:53 15 And then you talked to Mr. Johnson again after  
16 you talked to Mr. Kean?

17 A. Correct.

18 Q. Did the conversation -- the second conversation  
19 with Mr. Johnson occur the same day you talked to  
12:53 20 Mr. Kean, or a different day?

21 A. I think the same day.

22 Q. And did you call Mr. Johnson, or did he call  
23 you?

24 A. I called Mr. Johnson.

12:53 25 Q. And how long was that conversation with

12:53 1 Mr. Johnson?

2 A. Less than ten minutes.

3 Q. Less than ten?

4 A. Uh-huh.

12:54 5 Q. What did you say in that conversation, and what  
6 did Mr. Johnson say?

7 A. I said I talked to Mr. Kean, that he referred  
8 me to him.

9 I explained that we were experiencing -- we had  
12:54 10 found product that were donated to Phoenix Fibers that  
11 were outside that we'd found purchased.

12 And then he also talked about that they were  
13 adding security cameras, that he would investigate and  
14 that he also mentioned leakage.

12:54 15 Q. Did he tell you whether or not he had talked to  
16 Mr. Kean about Mr. Kean's conversation with you prior to  
17 his second conversation with you?

18 A. He did not mention that.

19 Q. Did you mention the possibility of leakage to  
12:54 20 Mr. Johnson in that phone call?

21 A. I don't think so.

22 Q. Can you recall with certainty whether or not  
23 you mentioned that possibility?

24 A. I can't recall.

12:55 25 Q. Do you have any opinion one way or the other

12:57 1 Have you had any conversation with Mr. Kean  
2 since that conversation you had with him?

3 A. No.

4 Q. Have you had any conversation with Mr. Johnson  
12:57 5 since you had that conversation with him?

6 A. No.

7 Q. Have you attended any of the depositions in  
8 this case?

9 A. Oh, actually, I did go to Mr. Kean's. We  
12:57 10 didn't really speak, but I saw him.

11 THE REPORTER: I'm sorry?

12 THE WITNESS: I didn't really speak to him, but I  
13 saw him there.

14 MR. PARKER:

12:57 15 Q. So you attended Mr. Kean's deposition, or part  
16 of it, but not any of Mr. Johnson's?

17 A. Correct.

18 MR. PARKER: Now's as good of time as any for a  
19 short lunch.

12:58 20 MR. SALZMANN: Sure.

21 THE VIDEOGRAPHER: The time is 12:58 p.m., and we  
22 are off the record.

23 (A lunch recess is taken.)

24 (Exhibit 36 was marked for identification by  
12:58 25 the reporter.)



14:10 1 the reporter.)

2 MR. PARKER:

3 Q. Can you take a look at Exhibit 38.

4 A. Yes.

14:11 5 Q. Do you recognize Exhibit 38?

6 A. I think I've seen it.

7 Q. Do you know one way or the other whether the  
8 web content on Exhibit 38, which was printed out  
9 today -- Do you know whether this web content in  
14:11 10 Exhibit 38 differs in any way from the web content that  
11 existed in 2011?

12 A. I have no idea.

13 Q. And you don't know whether the web content on  
14 Exhibit 38 differs from the web content as it existed  
14:11 15 on -- in the year 2012?

16 A. I have no idea.

17 Q. Was -- Strike that.

18 Is the destruction of these unfinished,  
19 obsolete and otherwise secondhand goods and damaged  
14:12 20 goods -- is the destruction of them important to the  
21 companies?

22 A. It's very important.

23 Q. Why is it -- Why is it important?

24 A. I mean, there are multiple reasons. The  
14:12 25 primary reason is we don't want the goods in the market

14:12 1 in the first place.

2 I mean, the reason that they are being sent for  
3 destruction and recycling is so they do not enter into  
4 the stream of commerce because we don't believe that  
14:12 5 they're up to the standard of Rock Revival and Miss Me.  
6 So the reason they're sent there is for the destruction  
7 so they don't get into the stream of market so the  
8 brands aren't damaged or harmed reputationally,  
9 quality-wise. So, yeah, it's important.

14:13 10 And then, you know, like I said, we had this  
11 whole environmental program. That was really the point  
12 of sending them to be destroyed and recycled is that we  
13 wanted to adhere to those values.

14 That's why we took the time to bring them from  
14:13 15 China. If we really wanted to have them in the stream  
16 of commerce, we would have sold them ourselves.

17 And it was sort of ridiculous that we were  
18 sending them to Arizona, paying for the shipping to get  
19 them there, and then they were being shipped back to a  
14:13 20 half mile from our facility.

21 Q. Do you know whether Rock Revival and Miss Me  
22 received any certificates of recycle from Phoenix  
23 Fibers?

24 A. I think we -- I think -- No. I don't think  
14:13 25 Rock Revival or Miss Me did.

14:13 1 Q. There's one -- There's one given to a company  
2 called Maurice.

3 Is that -- Do you know what Maurice is?

4 A. Yes. So we were in litigation with Maurices.

14:14 5 As part of their settlement, they agreed to  
6 send the products to Phoenix Fibers to be destroyed and  
7 recycled. Therefore they needed a certificate of  
8 destruction to give to us as evidence.

9 Q. Is there a reason why you never directed --  
14:14 10 someone or yourself requested a certificate of  
11 destruction and recycle from Phoenix Fibers?

12 A. I really didn't think it was necessary. We had  
13 an agreement. We assumed that the goods were being  
14 recycled as we were told they were.

14:14 15 And we didn't need it as evidence for anything  
16 else. It's not like we were in litigation where we had  
17 to present to a third party or we were getting a, you  
18 know, nonprofit tax credit or something where we needed  
19 evidence that that was occurring.

14:14 20 Q. Why was it that you needed a certificate of  
21 destruction and recycle from Maurice?

22 A. That was the litigation. Actually it was a  
23 part the settlement agreement that they provided,  
24 Maurices provided.

14:15 25 Q. Why wasn't it enough that they simply certified

14:43 1 non-denim?

2 A. No. I mean, generally speaking, our place is  
3 primarily denim, so, you know, we don't have that much  
4 non-denim.

14:43 5 Q. Do you know if there was anything besides  
6 apparel in the boxes that were shipped from Sweet People  
7 to Phoenix Fibers in 2015?

8 A. Not that I'm aware of.

9 Q. Of the boxes that you've looked in at  
14:44 10 Investigative Consultants' warehouse, have you found  
11 anything other than apparel?

12 A. I don't think so.

13 Q. Of the boxes -- Strike that.

14 Of the boxes that were retrieved from Phoenix  
14:44 15 Fibers in December 2015, had you found anything in the  
16 boxes other than apparel?

17 A. I don't think so. Not that I'm aware of.

18 Q. Approximately how many of those boxes, the ones  
19 that were transported back from Phoenix Fibers in  
14:44 20 December 2015, have you looked in?

21 A. I don't know how many were looked in.

22 A lot of the boxes that came back from Phoenix  
23 Fibers were already cut open in one corner where  
24 somebody had -- from Phoenix Fibers had already looked  
14:45 25 through the boxes. So I don't know.